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MM 92-266/93-215



Federal Communications Commission DOCKET FILE COPY ORIGINAL
Washington, D.C. 20554

January 4, 1995

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Jim Barcia
U.S. House of Representatives
1717 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Barcia:

Thank you for your letter expressing your concern regarding the development of the Commission's cable rate regulation policy. Specifically, you express concern that the views of cable franchising authorities have not been included in discussions about the Commission's proposed policy changes.

On November 18, 1994, the Commission released its *Sixth Order on Reconsideration, Fifth Report and Order, and Seventh Notice of Proposed Rulemaking* (the "Going Forward Order"), MM Docket Nos. 92-266 and 93-215, FCC 94-286, adopting regulations for the cable television industry that provide cable operators with additional incentives to expand their services and facilities in a way that both ensures that cable rates are reasonable and expands the opportunities for cable programmers to reach viewers. Pursuant to the Administrative Procedure Act and the Commission's rules, all interested parties were given the opportunity to participate in the rulemaking proceeding through submission of written data, views, or arguments, as well as an opportunity to present the same orally.

During the drafting of the Going Forward Order, your concerns, as well as those of your constituents, were included in the record considered by the Commission. You may be interested to know that the National Association of Telecommunications Officers and Advisors (NATOA) also presented arguments in this proceeding regarding the effect of the proposed going forward rules on local franchising authorities on behalf of the many local franchising authorities within its membership. The Commission also specifically considered written comments filed by the City of St. Louis, Missouri, which raised similar issues. In addition, senior staff members of the Cable Services Bureau participated in regular telephone conferences with NATOA officials. The Commission believes that the views of the local franchising authorities were thoroughly considered.

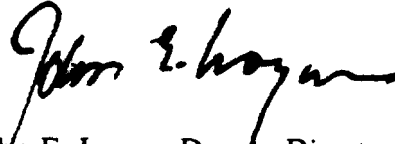
The new rules established by the Going Forward Order create a balanced set of initiatives that allow cable operators needed incentives to add new cable programming that, in turn, will benefit subscribers. The Commission has attempted to address your concerns and those of other local authorities in the Going Forward Order. Among other things, the Commission made the new channel addition rules generally applicable only to the cable programming services tier (CPST) and unregulated services. The major exception is that the new rules will affect rates on the basic service tier when an operator offers only one tier of

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service. Because the new channel addition rules in most instances relate only to CPSTs, subscribers will still have the option of a low rate basic service tier. Furthermore, by limiting the new channel addition rules to CPSTs in most instances, franchising authorities should not be inconvenienced by our new regulations because the responsibility for regulating CPST rates lies with the Commission rather than with local authorities. Enclosed is a News Release that summarizes the Going Forward Order. Please let me know if you would like a copy of the text of the decision.

I hope that this response will prove both informative and helpful. Please contact us if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "John E. Logan", written over a diagonal line that extends from the signature down towards the typed name.

John E. Logan, Deputy Director
Office of Legislative and
Inter-governmental Affairs

Enclosure

JAMES A. BARCIA
5TH DISTRICT, MICHIGAN

1717 LONGWORTH HOB
WASHINGTON, DC 20515-2205
TELEPHONE (202) 225-8171

Congress of the United States
House of Representatives
Washington, DC 20515-2205

October 20, 1994

CSB
OHV 92
5283
COMMITTEE ON PUBLIC WORKS
AND TRANSPORTATION
SUBCOMMITTEES
ECONOMIC DEVELOPMENT
INVESTIGATIONS AND OVERSIGHT
WATER RESOURCES
COMMITTEE ON SCIENCE,
SPACE, AND TECHNOLOGY
SUBCOMMITTEES
SCIENCE
SPACE

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, D.C. 20554

Dear Chairman Hundt:

I am writing to express my concern regarding any pending actions by the FCC regarding the regulation of the Cable Television industry. I have enclosed letters from local officials in my district which are the source of this concern.

I hope and expect that anything that the FCC may do on this issue would involve an extensive, *responsible* consultation with municipalities given the tremendous stake that they have in the outcome of FCC rulings on the issue. We all have a responsibility to provide the best, most cost-effective cable service to the citizens of this nation. Since our local officials have traditionally had a substantial role in this process, I would anticipate that they would be a major player in the determination of the best interests of consumers, their communities and the industry in the future. I appreciate in advance any reassurance that you may be able to provide me, and my constituents, that this will indeed be the case.

Thank you for your attention to this matter. I trust that you will inform me of any help that I may be able to provide to you in this endeavor.

Sincerely,

J. Barcia
Barcia
Member of Congress

JAB/jdf

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3741 EAST WILDER ROAD
SUITE 1A
BAY CITY, MI 48706
☐ TELEPHONE: (517) 667-0003

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FLUSHING, MI 48433
☐ TELEPHONE: (810) 732-7501

DISTRICT OFFICE:
301 EAST GENESEE
SUITE 502
SAGINAW, MI 48607
☐ TELEPHONE: (517) 754-6075

AuSable River Country



Michigan's Sunrise Side

Charter Township of AuSable

311 Fifth
AuSable, Michigan 48750

(517) 739-9169 Office
739-0696 Fax

Where the Great AuSable River meets Lake Huron

OCT 12 1994

October 6, 1994

Representative James Barcia
1719 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Barcia:

We are writing you to ask you to immediately contact Chairman Reed Hundt of the FCC and ask him not to make the significant changes in the cable rate regulation rules that the FCC has under consideration without obtaining input from municipalities first. Chairman Hundt and the other FCC commissioners have met repeatedly with the cable companies on these changes but have not advised municipalities of the proposed changes or met with municipalities or municipal groups. This raises a grave risk that any changes will be based on erroneous information and may backfire.

As you know, under the 1992 Cable Act municipalities are responsible for setting the rates for basic cable service, equipment and for service calls. The FCC regulates the middle group of channels. The FCC is now considering significant changes to its rules. According to press reports and presentations at national municipal meeting, Chairman Reed Hundt has met 20 times with cable operators (apparently largely on these changes) but only once with municipalities. We do not even know what the proposed changes are, although apparently the cable companies do.

The Cable Act made municipalities equal partners with the FCC in regulating rates. It is municipalities who have to implement the FCC's rules at the local level and who have the experience from having set rates over the past year which the FCC does not have (because the FCC has not set any rates yet for any cable company). We are very concerned that any changes from the FCC will be so burdensome that many communities will stop regulating rates or will have loopholes that cable operators will exploit. The FCC needs to have our input to prevent problems such as these from occurring, but so far they have not obtained municipal input.

The FCC apparently is considering adopting these changes in the very near future. We urge you to immediately write Chairman Hundt and ask him to not implement these changes without first having met with municipalities and solicited their input, as well as that of the cable companies. For the FCC to do this simply makes sense.

You should know that it is permissible for you under the FCC rules to write them about pending matters because the FCC rules allow so-called "ex parte" contacts on pending rulemakings such as this.

Very truly yours,

John Matthews, Supervisor
Charter Township of AuSable

JM/mb

The first settlement in Iosco County - Established 1857

6737 Church Street
P.O. Box 123
Cass City, Michigan 48726
517-872-2911

Fax: 517-872-4855

VILLAGE OF CASS CITY

"The Pacesetter"

October 11, 1994

Representative James A. Barcia
House Office Building
Washington, D.C. 20515

Dear Representative Barcia:

We are writing you to ask you to immediately contact Chairman Reed Hundt of the FCC and ask him not to make the significant changes in the cable rate regulation rules that the FCC has under consideration without obtaining input from municipalities first. Chairman Hundt and the other FCC commissioners have met repeatedly with the cable companies on these changes but have not advised municipalities of the proposed changes or met with municipalities or municipal groups. This raises a grave risk that any changes will be based on erroneous information and may backfire.

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VILLAGE PRESIDENT
L.E. Althaver

VILLAGE TRUSTEES
K. Michael Weaver
President, Pro Tem
Elwyn Helwig
Joanne Hopper
Leslie Karr
Matthew Prieskorn
Catherine Kropewnicki

VILLAGE MANAGER
Lou S. La Ponsie

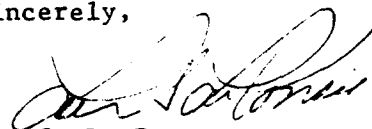
VILLAGE CLERK-
TREASURER
Joyce A. La Roche

VILLAGE ASSESSOR
Daniel Erla

Representative Barcia
October 11, 1994
Page 2

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Sincerely,

A handwritten signature in dark ink, appearing to read "Lou S. La Ponsie", written in a cursive style.

Lou S. La Ponsie
Village Manager

LSL/rh



City of East Tawas

120 West Westover • East Tawas, Michigan 48730

City Offices
(517) 362-6161
FAX (517) 362-6736

Police Office
362-7718

Park Office
362-5562

October 10, 1994

The Honorable James Barcia
5th Congressional District
House of Representatives
Washington, D.C. 20515

Dear Senator James Barcia:

The citizens and taxpayers of East Tawas need relief from future unfunded federal mandates. I am writing to urge you to push for passage of the Federal Mandate Accountability and Reform Act (S.993/H.R.4771) before Congress adjourns.

While a number of other mandates proposals have been offered, passage of this legislation is an all-important first step in the battle to slow down the growing financial and administrative burdens unfunded federal requirements impose on local taxpayers.

The cumulative impact of federal legislative and regulatory requirements directly and adversely affects the citizens of our community. Federal mandates require us to perform duties without any consideration of local circumstances, costs, or capacity. If we fail to comply with a mandate, we often are subject to civil or criminal liability, as well as onerous enforcement orders. Federal mandates require compliance regardless of other pressing local needs and priorities affecting the health, welfare, and safety of our citizens. Mandates require us to raise local taxes and fees or cut services to meet federal priorities.

The Federal Accountability and Reform Act, sponsored by Senators Kempthorne and Glenn and Representatives Conyers and Towns, would provide significant accountability and procedural safeguards to protect municipalities from future unfunded mandates. This is the only mandates relief legislation that has been endorsed by the National League of Cities and all other organizations representing state and local governments. It is a strong and viable bill. It provides the only chance for mandates relief this year.

The citizens of East Tawas need your help. We strongly encourage you to make the passage of the Federal Mandate Accountability and Reform Act your top priority over the few weeks remaining in this session of Congress.

Sincerely,

Ronald J. Leslie